NYNEX Government Affairs 1300 I Street NW Suite 400 Wash Machington DC 20005 J023316 7888

Susanne Guyer

Executive Director Federal Regulatory Policy Issues

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April 16, 1996

Ex Parte

Mr. William F. Caton Acting Secretary Federal Communications Commission Room 222 1919 M Street, NW Washington, DC 20554

RE: CC Docket 95-185

Dear Mr. Caton:

Today, Mr. F. Gumper, Mr. G. R. Evans, and I, representing NYNEX, met with Ms. M. Farquhar, Ms. R. Allen, Mr. J. Coltharp, Mr. D. Grosh, and Mr. W. Strack of the Wireless Telecommunications Bureau. The purpose of the meeting was to review NYNEX's position filed in the above-captioned proceeding on March 4, 1996. During the meeting the NYNEX representatives presented NYNEX's average costs to terminate traffic on its network; reviewed traffic patterns for wireless and wireline traffic; and explained the ramifications of "federalizing" CMRS/LEC interconnection.

The attached charts were used during the discussion.

Susanne Duy

Sincerely,

ce: Ms. M. Farquhar

Ms. R. Allen

Mr. J. Coltharp

Mr. D. Grosh

Mr. W. Strack

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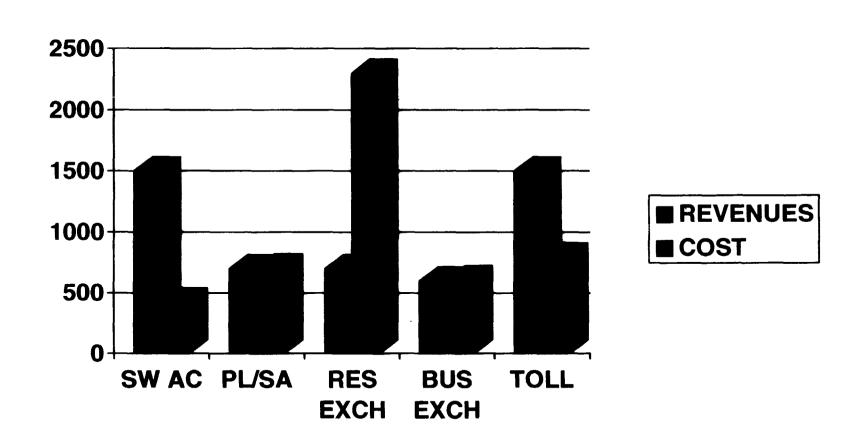
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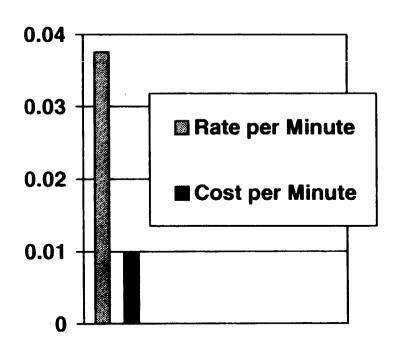
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THE SUBSIDY ISSUE NYNEX- NEW YORK COST STUDY

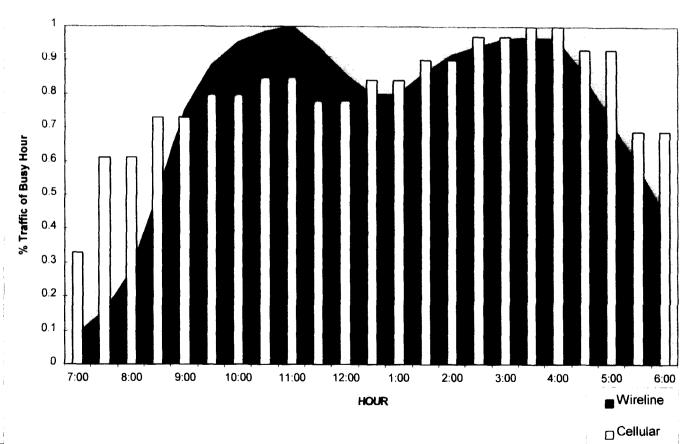


THE PROBLEM WITH AVERAGED RATES AND EMBEDDED SUBSIDIES



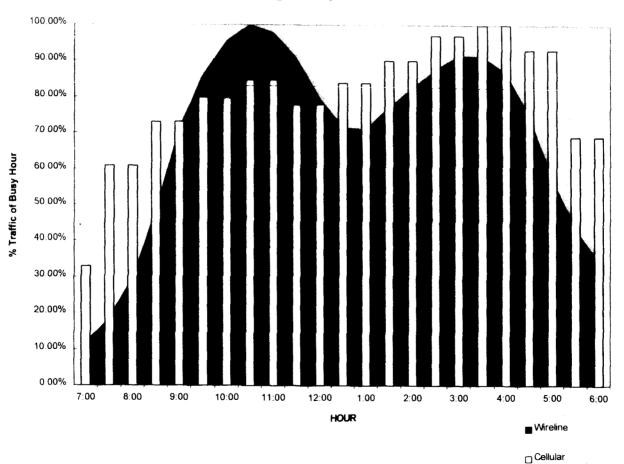
- Current access rate exceeds cost
- \$.0376 per minute rate includes CCL, Local Switching, Interconnection Charge and Trunking
- \$.01 per minute is current cost

Traffic as Percentage of Busy Hour - West 30th Street



NYNEX

Traffic as Percentage of Busy Hour - West 50th Street



CMRS -- LEC Interconnection



- "Federalization " of CMRS Interconnection will drive State costs to Interstate jurisdiction.
 - "Federalization" of 1.2 Billion minutes will drive~\$28.8M of cost to interstate.
 - » This change happens automatically due to Part 36 Rules.
 - » This represents a cost of ~2.4 cents/minute.

CMRS -- IXC Arbitrage

NYNEX

